

HOUSE BILL 1012

By Hicks G

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 6, relative to sports facilities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-6-103(d)(1)(A)(i), is amended by deleting the language "football (National Football League or Canadian Football League, or its successors or assigns)," from the first sentence.

SECTION 2. Tennessee Code Annotated, Section 67-6-103(d)(1)(A), is amended by adding the following language as a new subdivision (ii) and renumbering existing subdivision (ii) and the remaining subdivisions accordingly:

(ii)

(a) In addition to the allocations provided in subdivision (d)(1)(A)(i), if there exists in a municipality a sports authority organized pursuant to title 7, chapter 67, and if that sports authority has secured a major league professional football franchise (National Football League or Canadian Football League, or its successors or assigns), and only if such municipality or any board or instrumentality of the municipality reimburses the state for any costs to reallocate apportionments of such tax revenue under this section, then an amount shall be apportioned and distributed to the municipality equal to the amount of state tax revenue derived from the sale of admissions to all events occurring at the sports facility of the major league professional football franchise and also all sales of food, drinks, and merchandise sold on the premises of the sports facility in conjunction with those events, all parking charges, and all related services, as well as the sale by the major league professional football franchise within the

county in which the games take place of authorized franchise goods and products associated with the franchise's operations as a major league professional football franchise. The allocation of state tax revenue intended in this subdivision (d)(1)(A)(ii)(a) shall begin July 1, 2022, and continue so long as a major league professional football franchise (National Football League or Canadian Football League, or its successors or assigns) holds a lease on the sports facility; provided, however, that the following amounts are excluded from this allocation to pay annual outstanding bonded debt repayment obligations until fiscal year 2029, or the date such existing bonded debt is repaid, whichever is sooner:

Fiscal Year 2022	\$3,700,000
Fiscal Year 2023	\$3,350,000
Fiscal Year 2024	\$3,500,000
Fiscal Year 2025	\$3,300,000
Fiscal Year 2026	\$3,300,000
Fiscal Year 2027	\$3,300,000
Fiscal Year 2028	\$3,200,000
Fiscal Year 2029	\$3,200,000

(b) Amounts apportioned and distributed to the municipality in accordance with subdivision (d)(1)(A)(ii)(a) shall be for the exclusive use of the sports authority, or comparable municipal agency formally designated by the municipality in accordance with title 7, chapter 67, or such other person as designated by the sports authority, to fund capital projects and the payment of debt service for capital projects at the sports facility of the major league

professional football franchise, associated with the sports facility of the major league professional football franchise.

(c) In addition to the allocations provided in subdivision (d)(1)(A)(ii)(a), an amount must also be apportioned and distributed to the municipality equal to one-half (1/2) the amount of state tax revenue derived from all sales in a designated area not exceeding one-hundred thirty (130) acres contiguous to the sports facility and surrounding parking area of the major league professional football franchise; provided, that such acreage is not separated by a flowing navigable waterway. Such amounts are for the exclusive use of the sports authority, or comparable municipal agency formally designated by the municipality in accordance with title 7, chapter 67, or such other person as designated by the sports authority, to fund capital projects and the payment of debt service for capital projects at the sports facility of the major league professional football franchise, associated with the sports facility of the major league professional football franchise, or any onsite or offsite infrastructure necessary for the operation of the sports facility of the major league professional football franchise. Apportionment and distribution of state tax revenue pursuant to this subdivision (d)(1)(A)(ii)(c) shall continue for a period of thirty (30) years after the issuance of the initial debt service to be underwritten by the sports authority, or comparable municipal agency formally designated by the municipality in accordance with title 7, chapter 67, or such other person as designated by the sports authority, or thirty-five (35) years from the effective date of this act, whichever is sooner; provided, however, that the time periods provided in this subdivision (d)(1)(A)(ii)(c) are not affected by the pre-payment or satisfaction of underwritten debt service prior to thirty (30) years after the

issuance of the initial debt service as provided in this subdivision (d)(1)(A)(ii)(c). Thirty-six (36) months after the creation of such designated area, and continuing every thirty-six (36) months thereafter, the sports authority, or comparable municipal agency formally designated by the municipality in accordance with the provisions of title 7, chapter 67, or such other person as designated by the sports authority shall prepare and submit reports detailing the fiscal performance of the designated area to the finance, ways and means committees of the house of representatives and the senate and the department of finance and administration.

SECTION 3. Tennessee Code Annotated, Section 67-6-103(d)(1)(B), is amended by deleting the subdivision.

SECTION 4. Tennessee Code Annotated, Section 67-6-103(d)(2), is amended by deleting the subdivision.

SECTION 5. Tennessee Code Annotated, Section 67-6-712(c)(1)(A), is amended by deleting the language "football (National Football League or Canadian Football League, or its successors or assigns)," from the first sentence.

SECTION 6. Tennessee Code Annotated, Section 67-6-712(c)(1), is amended by adding the following language as a new subdivision (B) and renumbering existing subdivision (B) and the remaining subdivisions accordingly:

(B)

(i) In addition to the allocations provided in subdivision (c)(1)(A), if there exists in a municipality a sports authority organized pursuant to title 7, chapter 67, and if that sports authority has secured a major league professional football franchise (National Football League or Canadian Football League, or its successors or assigns), and only if such municipality or any board or

instrumentality of the municipality reimburses the state for any costs to reallocate apportionments of such tax revenue under this section, then an amount shall be apportioned and distributed to the municipality equal to the amount of local tax revenue derived from the sale of admissions to all events occurring at the sports facility of the major league professional football franchise and also all sales of food, drinks, and merchandise sold on the premises of the sports facility in conjunction with those events, all parking charges, and all related services, as well as the sale by the major league professional football franchise within the county in which the games take place of authorized franchise goods and products associated with the franchise's operations as a major league professional football franchise. The allocation of local tax revenue provided in this subdivision (c)(1)(B)(i) must continue so long as a major league professional football franchise (National Football League or Canadian Football League, or its successors or assigns) holds a lease on the sports facility. Such amounts are for the exclusive use of the sports authority, or comparable municipal agency formally designated by the municipality in accordance with title 7, chapter 67, or such other person as designated by the sports authority, to fund capital projects and the payment of debt service for capital projects at the sports facility of the major league professional football franchise, associated with the sports facility of the major league professional football franchise.

(ii) In addition to the allocation provided in subdivision (c)(1)(B)(i), an amount must also be apportioned and distributed to the municipality equal to one-half (1/2) the amount of local tax revenue derived from all sales in a designated area not exceeding one-hundred thirty (130) acres contiguous to the sports facility and surrounding parking area of the major league professional

football franchise; provided, that such acreage is not separated by a flowing navigable waterway. The allocation of tax revenue provided in this subdivision (c)(1)(B)(ii) shall continue so long as a major league professional football franchise (National Football League or Canadian Football League, or its successors or assigns) holds a lease on the sports facility. Such amounts are for the exclusive use of the sports authority, or comparable municipal agency formally designated by the municipality in accordance with title 7, chapter 67, or such other person as designated by the sports authority, to fund capital projects and the payment of debt service for capital projects at the sports facility of the major league professional football franchise, associated with the sports facility of the major league professional football franchise, or any onsite or offsite infrastructure necessary for the operation of the sports facility of the major league professional football franchise. Apportionment and distribution of local tax revenue pursuant to this subdivision (c)(1)(B)(ii) shall continue for a period of thirty (30) years after the issuance of the initial debt service to be underwritten by the sports authority, or comparable municipal agency formally designated by the municipality in accordance with title 7, chapter 67, or such other person as designated by the sports authority, or thirty-five (35) years from the effective date of this act, whichever is sooner; provided, however, that the time periods provided in this subdivision (c)(1)(A)(ii) are not affected by the pre-payment or satisfaction of underwritten debt service prior to thirty (30) years after the issuance of the initial debt service as provided in this subdivision (c)(1)(B)(ii).

SECTION 7. Tennessee Code Annotated, Section 67-6-712(c)(2), is amended by deleting the subdivision.

SECTION 8. This act takes effect upon becoming a law, the public welfare requiring it.